

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA
DOCKET NUMBER: 2019-189-WS

Application of JACABB, Utilities, LLC to Request to Establish
Sewer Pass-Through Rates for JACABB Utilities, LLC and Approval
of a Water System and Sanitary Sewerage Asset Purchase Agreement
with Triangle Real Estate to Serve Rosewood at Clemson
Development in the City of Clemson, South Carolina

REBUTTAL TESTIMONY
OF
STEPHEN R. GOLDIE

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FOR APPLICANT
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1 **Q. Please state your name for the record.**

2 A. Stephen R. Goldie

3

4 **Q. Please state why are you submitting this rebuttal testimony?**

5 A. I am responding to a concern raised by the direct testimony
6 of Dawn M. Hipp on behalf of The South Carolina Office of
7 Regulatory Staff, commonly referred to as "ORS".

8

9 **Q. Please re-state the portion of the testimony that raised**
10 **concerns for you.**

11 A. In the direct testimony it was stated that S.C. Code Ann.
12 Regs. 103-735 and 103-736 do not contain language that
13 permits JACABB to deny or discontinue water service for non-
14 payment of a different type or class of public utility
15 service, specifically sewer in this case.

16

17 **Q. Please state why this is a concern.**

18 A. The Utility has previously requested to disconnect water
19 service for nonpayment of a different type or class of
20 public utility service and received Commission and ORS
21 approval.

22 In Docket Number 2018-28-W, the Utility requested approval
23 of an Asset Purchase Agreement (APA). Section Eleven of this

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1 APA stated: "The Utility will follow regulations for the
2 discontinuance of water service to any homeowners and/or
3 customer who fails to pay for water, sewer, and/or
4 stormwater charges. Docket Number 2016-126-W, the Utility
5 requested approval of an Asset Purchase Agreement (APA).
6 Section Ten of this APA stated: "The Utility will follow
7 regulations for the discontinuance of water service to any
8 homeowners and/or customer who fails to pay for water and/or
9 sewer charges. Docket Number 2015-274-W the Utility
10 requested approval of an Asset Purchase Agreement (APA).
11 Section Ten of this APA stated: "The Utility will follow
12 regulations for the discontinuance of water service to any
13 homeowners and/or customer who fails to pay for water, sewer
14 and/or sanitation charges. Orders 2018-207, 2016-348, and
15 2015-696, respectively approve the Asset Purchase Agreement.
16 There were no stipulations in any of these orders indicating
17 that any part of the agreement was exempt from the
18 Commission's approval.

19
20 **Q. Did the Office of Regulatory Staff have any objections to**
21 **these Asset Purchase Agreements?**

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1 A. No. The Office of Regulatory Staff submitted a letter to
2 each of these dockets indicating that there were no
3 objections.

4
5 Q. **Can you explain why you have requested to be allowed to**
6 **disconnect water service for nonpayment of**
7 **sewer/sanitation/stormwater charges?**

8 A. Yes.

9 I believe that there is sufficient justification to
10 substantiate the request. 1) The construction of the
11 apartment building is such that it does not allow for
12 individual disconnection of the sewer lines; 2) to modify
13 the plumbing to allow sewer disconnection to each unit would
14 be too costly; and 3) the approval for this request has been
15 granted previously with no objection from the ORS. When
16 there is no physical way to disconnect sewer service, the
17 Utility will have no other reasonable recourse for the non-
18 payment of sewer charges. This could over time cause an
19 increase in the cost to each customer to cover the losses
20 incurred for non-payment of the sewer charges.

21
22 Q. **When disconnecting water service for a customer's failure to**
23 **pay for sewer, stormwater or sanitation services, would the**

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Utility abide by S.C. Code Ann. Regs. 103-735.1 Procedures
for Termination of Service.

A. Yes.

Q. Is it a common practice for Water Districts, or other
Special Service Districts, which provide potable water to
their customers, but do not provide retail sewer collection
services, to enter into intergovernmental agreements with
other Municipalities or other Special Purpose Districts
which do provide sewer services to their common customers
to provide for the collection of the sewer charges on a
single, joint bill for water and sewer charges?

A. Yes.

Q. Is the Water District typically paid a fee by the Sewer
Municipality for its billing and collection of the sewer
charges on its water bill?

A. Yes.

Q. Do these agreements typically provide for the
discontinuance of water service to any customer who fails
to pay the sewer charges on the joint bill?

A. Yes.

Q. Do these agreements typically provide that water service
will be discontinued for failure to pay the sewer charges

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1 and will now be renewed until past due sewer charges have
2 been paid?

3 A. Yes.

4

5 Q. Are you requesting a waiver for S.C. Code Ann. Regs. 103-735
6 and 103-736 to allow the Utility to disconnect water service
7 for non-payment of sewer, stormwater, and/or sanitation
8 services.

9 A. Yes, I am.

10

11 Q. Does this conclude your rebuttal testimony?

12 A. Yes, it does.

13